

# Report of the Chief Executive Officer

Chapter 1



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I look at the year 2005–06 as one in which Centrelink performed well, meeting our day-to-day business expectations, contributing to the development of major new initiatives, and confirming our capability to react decisively in times of crisis.

These achievements occurred against a background of fundamental change for the organisation, as Centrelink experienced its first full year of operation reporting to the Minister for Human Services.

The introduction of the Human Services Legislation Amendment Act on 1 October 2005 was a significant step towards implementing the changes to governance recommended by John Uhrig AC, in his report to the Government. From that date Centrelink's Board of Management was abolished and, as Chief Executive Officer (CEO), I became responsible to the Minister for all aspects of Centrelink's management and performance. I have established a framework of strategic committees and senior executive accountabilities to support me in achieving these performance expectations.

Centrelink's new governance arrangements were reinforced by the Minister who provided his *Statement of Expectations* to me as the CEO. This document and my *Statement of Intent* in response are available to the public through Centrelink's and the Department of Human Services' (DHS) websites. They detail the Government's expectations of Centrelink and our commitment to meeting those expectations. As agreed in my Statement, I report to the Minister, through the Secretary of the Department of Human Services.

## Achievements over the year

The transition from the previous Board of Management to the new Centrelink governance arrangements was completed and consolidated over the year. More efficient and effective linkages between DHS agencies are now occurring as a result of the involvement of DHS. Improving service levels is one of the Minister's highest expectations and we have approached this on several major fronts.

The Government's Welfare to Work agenda supports a significant investment in the Australian community, targeted to lift workforce participation and reduce welfare dependency. Centrelink prepared for this by ensuring that existing customers affected by the changes were informed well in advance and encouraged to voluntarily participate in the workforce.

Between July 2005 and 30 June 2006, Centrelink contacted almost 600 000 Parenting Payment and Disability Support Pension customers to offer Job Network referrals. More than 103 000 customers took up that option and were registered and referred. A substantial proportion of over 52 000 job placements for recipients of Disability Support Pension and Parenting Payment were made up from Centrelink referrals from these groups. This has made a significant contribution to the strength of the Australian labour market over the past year.

In partnership with Medicare Australia, we extended the availability of family assistance services through Medicare offices. These services range from information and advice through to online processing of benefit payments. This has provided the Australian public with more choice about how and where they can access family assistance payments and services. With the extra 190 Medicare outlets, and the rest coming on line by December 2006, over 100 000 Australians have already exercised this choice.

Centrelink customers have reacted positively to self service options since the self service channels were established. From July 2005 to June 2006, more than 7.1 million transactions—that is, over 9 per cent of all Centrelink customer transactions—were undertaken via the internet or automated telephone self service. This online activity is complemented by significant numbers of transactions conducted by over 4500 business and community organisations on behalf of customers.

The value that Centrelink adds to the community rests not only on our day-to-day business performance, but also on the extraordinary efforts of Centrelink staff in times of major crisis. Unfortunately, we had to draw on this capability several times this year in response to emergencies. Staff responses to the effects of Cyclone Larry in north Queensland were outstanding. Formal recognition and thanks for the efforts of staff in assisting people affected in north Queensland were received from Dr Peter Shergold, Secretary of the Department of the Prime Minister and Cabinet.

Over the past 12 months Centrelink staff were also involved in assisting in responses to:

- **The Bali bombings**—family liaison services were provided to Australians affected by the second bombing in Bali in October 2005, along with assistance with travel and related costs. Family Liaison Officers were also sent to Bali to provide support to the Australian families who attended the third anniversary of the 2002 bombing.
- **The London bombings**—Family Liaison Officers were sent to London to provide support to the Australians affected.
- **Cyclone Larry**—over 1000 Centrelink staff were mobilised to provide support to the victims of Cyclone Larry. During the peak of work, over 400 staff were directly involved on any day, with 120 staff operating within affected communities surrounding Innisfail. Over \$160 million in payments were processed and 41 000 phone calls received.
- **Cyclone Monica**—Centrelink staff had to use long range helicopters to access affected towns and properties in Cape York which were affected by floods. These staff made assessments, provided advice back to Canberra, and arranged support payments to affected residents.
- **Katherine floods**—this was a great example of an integrated response. The Northern Territory Government and local non-government agencies all operated from the Katherine Centrelink office to provide a ‘one-stop-shop’ for flood victims who were given emergency payments and support.
- **Beaconsfield mine disaster**—Centrelink operated a support service in Beaconsfield for the duration of the mine disaster.

- **East Timor medical evacuations**—family liaison services were provided for non-Australians who were evacuated from East Timor to Australia for medical treatment, following the civil and political unrest that occurred in May 2006.

The importance of Centrelink's role in responding to national emergencies has been recognised in the latest Federal Budget in which the Government has provided funding for the establishment of a National Emergency Call Centre (NECC). Centrelink will have the lead role in establishing, maintaining and operating the NECC. As the first point of contact for public enquiries, the NECC will enhance the Australian Government's ability to respond rapidly to calls from the public and provide information following a major emergency.

While these emergency management examples stand out as world class, they should not overshadow the results achieved by people in Centrelink all over Australia on a daily basis.

## Looking forward

While Centrelink prides itself on the ability to absorb change as shown by our performance in 2005–06, the next year will test us with fundamental shifts in expectations. New directions in mutual obligation associated with the Welfare to Work agenda will be the immediate challenge. I am confident that staff recognise the longer term benefits of participation to customers, given the exceptional labour demand in Australia associated with a strongly growing economy.

The proposed Australian Government health and social services access card is a major Government initiative for 2008 and beyond. I am pleased to report that along with DHS and other Human Services agencies, Centrelink played an important role in the research and preparation of the case for this initiative. In preparing for the card's introduction, significant development work will be required in 2007–08 and together with DHS and the Access Card Lead Adviser, Centrelink will be heavily involved.

We will continue to strive to increase self service options for customers and to automate more and more of our dealings with business. This is central to meeting customer expectations and to improving efficiency on behalf of the Government and its policy departments.

I would like to thank Centrelink staff for their contribution to our success over the 2005–06 year, particularly given the pace of change associated with government policy, systems redevelopments and internal business management arrangements. Staff should be particularly proud of the contribution they made towards increasing participation rates and the impact that this has had on the broader Australian economy. They should also be very proud of their response to a number of major emergencies, especially their response to Cyclone Larry.



